demand or 40% of the Kharif demand to be eligible for fresh borrowing from National Bank for Agriculture and Rural Decelopment (NABARD) after 1st April or 40% of the total demand by end of June to be eligible to operate on the credit limit sanctioned from 1st July. NABARD has, however, relaxed the conditions upto 30th June 1990 for financing current kharif season. In order to ensure adequate flow of credit for ensuring 1990 kharif season, NABARD has given some relaxations in regard to sanction and operation of the credit limits sanctioned to State Cooperative Banks (SCBs) viz. (i) the seasonality discipline has been dispensed with ; (ii) maintenance of non-overdue cover during the year 1989-90 has been relaxed for drawals on the credit limit sanctioned to CCBs ; (iii) condoning defaults by SCBs in the repayment of loans ; (iv) the condition that the SCBs and CCBs would have to maintain 75% of the stipulated minimum involvement on a weekly basis would be waived ; and (v) sanction of additional limits would be considered. These relaxations would help the cooperative banks to meet the credit demand for 1990 kharif operations.

Expansion of Bank Branches in Andhra Pradesh during Eighth Plan period

466. SHRI TALARI MANOHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have a proposal for expansion of bank branches during the Eighth Five Year Plan period in Andhra Pradesh; and

(b) if so, what is the number of new branches of different nationalised commercial banks proposed to be set up during the above period?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) The previous Branch Licensing Policy (1985-90) came to an end on 31-3-1990. The new Branch Licensing Policy for Eighth Five Year Plan has not yet been finalised by Reserve Bank of India. 83 licences issued under the previous Branch Licensing Policy for the State of Andhra Pradesh, are pending for utilisation and the RBI has extended the validity period for these licences, upto September 30, 1990.

Representation of financial institutions on the Boards of MRTP companies

467. SHRI KRISHNA KUMAR BIRLA: Will the MINISTER OF FINANCE be pleased to refer to the answer to Unstarred Question 2138 given in the Rajya Sabha on the 29th March, 1990 and state;

(a) what are the details of the existing guidelines for the appointment of the nominees of financial institutions such as LIC, GIC, UTI, IDBI, IFCI, & ICICI on the Boards of the MRTP companies; and

(b) whether there have been any instances of deviation from the laid down guidelines, if so, the details thereof stating the circumstances for such deviation ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) As for existing guidelines financial institutions are expected to appoint nominee directors on the Boards of all MRTP Companies assisted by them. As regards non MRTP Companies, nominee directors are to be appointed on a selective basis where the unit is having problems which may affect its viability, institutional holding is more than 26% or where institutional stake by way of loans/investments exceeds Rs. 5 crores.

Institutions have reported no deviation from the guidelines. However, in circumstances like units